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Message Text

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R 171230Z JUN 74
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 3896
INF AMCONSUL RIO DE JANEIRO
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USSOUTH COM QUARRY HEIGHTS CZ

S E C R E T SECTION 1 OF 4 BRASILIA 4355

DEPT PASS AID

E.O. 11652: GDS
TAGS: MASS, BR
SUBJECT: AMBASSADOR'S ASSESSMENT OF U.S. SECURITY ASSISTANCE

REF: A. STATE 031505 B. STATE 083250

SUMMARY: GIVEN BRAZIL'S STRATEGIC GEOGRAPHIC POSITION ITS INCREASING IMPORTANCE IN REGIONAL AND WORLD AFFAIRS, AND THE LIKELIHOOD THAT THE BRAZILIAN ARMED FORCES WILL CONTINUE TO BE THE PREDOMINANT ELEMENT IN ITS GOVERNMENT FOR AT LEAST THE NEXT SEVERAL YEARS, A PRIMARY GOAL OF OUR POLICY TOWARD BRAZIL SHOULD BE THE MAINTENANCE OF THE U.S. ORIENTATION OF THE BRAZILIAN ARMED FORCES, WHO, IN LARGE MEASURE, VIEW BRAZIL'S SECURITY AND FOREIGN POLICY INTERESTS AS BEING PARALLEL WITH THOSE OF THE U.S. THE SECURITY ASSISTANCE PROGRAM PROVIDES AN ESSENTIAL TOOL FOR PRESERVING AND INCREASING OUR INFLUENCE. A SECONDARY, BUT IMPORTANT, CONSIDERATION IN THE PROVISION OF SECURITY ASSISTANCE TO BRQZIL IS THE COMMERCIAL
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BENEFIT TO BE DERIVED BY THE U.S. FROM SALES TO

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BRAZIL OF U.S.-MANUFACTURED EQUIPMENT UNDER FMS CREDIT SALES. FINALLY, IT IS IN OUR INTEREST TO PROMOTE THE REASONABLE MODERNIZATION OF THE BRAZILIAN ARMED FORCES BOTH FOR THEIR POSSIBLE USEFULNESS IN SELF-DEFENSE, INTERNATIONAL PEACE KEEPING OPERATIONS, AND IN THE CASE OF ASW FORCES, FOR THEIR POSSIBLE CONTRI-BUTION TO THE TOTAL FORCE CONCEPT. OPTIMUM PURSUIT OF THESE INTERESTS WILL REQUIRE HIGHER FMS CREDIT LEVELS FOR BRAZIL THAN INDICATED BY CURRENT DOLLAR GUIDELINES BOTH IN FY 1975 AND THE REMAINDER OF THE PLANNING PERIOD. END SUMMARY

1. BRAZIL OCCUPIES HALF THE LAND AREA OF SOUTH AMERICA, HAS A POPULATION OF OVER 100 MILLIONS, AND HAS EXPERI-ENCED A PERIOD OF VERY RAPID AND WELL-MANAGED ECONOMIC GROWTH SINCE 1968. IT HAS MAJOR QUANTITIES OF NATURAL RESOURCES AND A LARGE AND EXPANDING INDUSTRIAL BASE. AS A RESULT, BRAZIL EXERCISES CONSIDERABLE INFLUENCE ON ITS NEIGHBORS, AND HAS DEMONSTRATED ITS POTENTIAL FOR EVENTUAL WORLD POWER STATUS. ITS LONG COASTLINE PARALLELS STRATETIC SEA LINES OF COMMUNICATION, AND ITS EASTERN EXTENSION, IS ONLY 1700 MILES FROM THE AFRICAN CONTINENT. THE BRAZILIAN ARMED FORCES PROVIDE THE POWER BASE FOR THE CURRENT GOVERNMENT, AS THEY HAVE FOR EACH ADMINISTRATION SINCE 1964, AND ARE LIKELY TO CONTINUE THEIR PIVOTAL POLITICAL ROLE FOR THE IMMEDIATELY FORESEEABLE FUTURE. THE ARMED FORCES THEREFORE ARE A PRIMARY TARGET GROUP IN MAINTENANCE OF U.S. INFLUENCE WITH BRAZIL IN SUPPORT OF BROAD U.S. OBJECTIVES.

2. OUR MILITARY RELATIONSHIP WITH BRAZIL STEMS PRINCIPALLY FROM OUR WORLD WAR II ALLIANCE WHEN BRAZILIAN AND U.S. TROOPS FOUGHT SIDE BY SIDE IN ITALY. SUBSEQUENTLY, THIS RELATIONSHIP WAS DEVELOPED INTO WHAT THE BRAZILIAN MILITARY CONSIDER TO BE A "SPECIAL TIE" WITH THE U.S., THROUGH CONTINUED USE OF THE JOINT BRAZIL-U.S. MILITARY AND DEFENSE COMMISSIONS, AND OF U.S. EQUIPMENT, DOCTRINE, AND MANAGEMENT AND ORGANIZATION TECHNIQUES. AFTER THE 1964 REVOLUTION,
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THIS RELATIONSHIP CONTINUED, BUT WAS RESTRICTED BY TWO FACTORS: STRICT LIMITATIONS ON U.S. MILITARY SALES TO LATIN AMERICA, AND THE DEVELOPMENT OF THE BRAZILIAN ARMED FORCES INTO A SELF-SUSTAINING INSTITUTION CAPABLE OF DEVELOPING ITS OWN DOCTRINE, MANAGEMENT AND TRAINING, AND SUPPLYING A GOOD DEAL OF ITS OWN MATERIAL REQUIREMENTS, AS A RESULT OF THE SALES LIMITATIONS, SOME 90 PERCENT OF BRAZIL'S FOREIGN MILITARY PURCHASES IN THE PERIOD

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1966 TO 1970 WERE MADE FROM THIRD COUNTRY SOURCES.
ALTHOUGH THE PAST TWO YEARS HAVE SEEN AN INCREASED
SHARE OF U.S. SUPPLY TO BRAZIL'S EQUIPMENT NEEDS,
THIRD COUNTRY SUPPLIERS RETAIN A SIGNIFICANT POSITION.
WE RECOGNIZE THAT WE CANNOT BASE OUR MILITARY RELATION-
SHIP ON EQUIPMENT SUPPLY AND ASSOCIATED LOGISTICS
SUPPORT SO FIRMLY AS WE HAVE IN THE PAST. AS BRAZIL
MOVES TOWARD THE STATUS OF A WORLD POWER, IT WILL TEND
TO REJECT ANY FORM OF MILITARY RELATIONSHIP THAT INDI-
CATES A CLIENT STATUS. OUR OBJECTIVE SHOULD BE, RATHER,
TO FOSTER A MATURE, COOPERATIVE PARTNERSHIP THAT DEPENDS
NOT SO MUCH ON ASSISTANCE IN THE DEVELOPMENT OF THE
BRAZILIAN ARMED FORCES AS ON THE ACCEPTANCE OF MUTUALLY
PERCEIVED STRATEGIC GOALS AND A COMMONALITY OF NATIONAL
INTERESTS. BUT THIS WILL BE NO EASY TASK, AND THROUGHOUT
THE 1970'S AND, PERHAPS, BEYOND, THE READINESS OF THE
U.S. TO MEET REASONABLE BRAZILIAN EQUIPMENT NEEDS
WILL CONTINUE TO BE AN ESSENTIAL BUILDING BLOCK FOR THE
MATURE RELATIONSHIP DESCRIBED ABOVE.

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3. THE U.S. DELEGATION, JBUSMC, IS THE PRINCIPAL U.S.
DEFENSE AGENCY IN BRAZIL FOR MILITARY COOPERATION BETWEEN
THE ARMED FORCES OF THE TWO COUNTRIES AND HAS, IN AN

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ADDITIONAL MAAG ROLE, EXECUTED THE SECURITY ASSISTANCE
PROGRAMS IN BRAZIL. THE JOINT COMMISSION, CO-EQUALLY
STRUCTURED AND TRADITIONALLY ESTABLISHED AND ACCEPTED
IN BRAZIL, OFFERS UNIQUE BENEFITS TO THE U.S., AND
THE U.S. DELEGATION ROLE SHOULD BE STRENGTHENED AND
UTILIZED TO REALIZE ITS FULL POTENTIAL IN THE COOPERA-
TIVE PARTNERSHIP SENSE REFERRED TO ABOVE. THIS PLUS
A VERY ACTIVE AND VERY EFFECTIVE DAO, WORKING COOPERA-
TIVELY, REINFORCE EACH OTHER TO ADVANTAGE. (THESE
VIEWS HAVE BEEN PROVIDED BY THE MISSION TO THE JCS
REVIEW OF U.S. MILITARY POLICY, PROGRAMS AND
PRESENCE IN LATIN AMERICA.)"

4. THE GOALS OF THE SECURITY ASSISTANCE PROGRAM
SHOULD, THEREFORE, BE (A) THE MAINTENANCE AND ENHANCE-
MENT OF THE U.S.-ORIENTED OUTLOOK OF THE BRAZILIAN
ARMED FORCES, (B) PROMOTION OF COMMERCIAL BENEFITS
TO THE U.S. WHERE APPROPRIATE, (C) PROVISION OF
ASSISTANCE FOR SELF DEFENSE AND POSSIBLE BRAZILIAN
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COOPERATION IN INTERNATIONAL PEACEKEEPING MISSIONS,
AND (D) IN SO FAR AS A U.S. STRATEGIC BASIS FOR THIS
EXISTS, ENHANCEMENT OF BRAZILIAN CAPABILITIES TO TAKE
PART IN A "TOTAL FORCE" STRUCTURE IN REGARD TO
ANTI-SUBMARINE WARFARE. SUCCESS IN MOVING TOWARD THESE GOALS
SHOULD ASSIST US IN DERIVING MILITARY AND POLITICAL BENEFITS
FROM OUR RELATIONSHIP WITH BRAZIL, SUCH AS BRAZILIAN
COOPERATION IN THE SOLUTION OF INTERNATIONAL PROBLEMS
(A PRIMARY U.S. INTEREST IN THE EMBASSY'S CASP SUB-
MISSION) CONTINUED INFLUENCE WITH BRAZIL IN HER RELATIONSHIP
WITH HER NEIGHBORS, PARTICULARLY IN THE STRATEGIC SOUTHERN
CONE, THE POSSIBLE PROVISION OF BRAZILIAN
BASES, FACILITIES AND TRANSIT RIGHTS IN A GENERAL
EMERGENCY INVOLVING PROTRACTED CONVENTIONAL OPERATIONS
AND, UNDER THE SAME CIRCUMSTANCES, BRAZILIAN ASSISTANCE
IN PROTECTING VITAL SEA LINES OF COMMUNICATIONS.

5. IN DEVELOPING OUR RECOMMENDATIONS FOR THE SECURITY
ASSISTANCE PROGRAM FOR BRAZIL, WE HAVE ACTED ON CERTAIN
ASSUMPTIONS BASED ON OUR UNDERSTANDING OF CURRENT
REALITIES AND TRENDS IN BRAZIL; THAT THE ARMED FORCES
WILL CONTINUE TO EXERCISE MAJOR INFLUENCE IN INTERNAL
POLITICS; THAT, WITHIN BUDGETARY LIMITATIONS, THE ARMED
FORCES WILL CONTINUE TO MODERNIZE THEIR EQUIPMENT AND
ORGANIZATION; THAT THIRD COUNTRY SUPPLIERS WILL CONTINUE
TO OFFER EQUIPMENT, INCLUDING THAT OF A SOPHISTICATED
NATURE, TO BRAZIL AT ATTRACTIVE TERMS; AND THAT U.S.
SUPPLIERS WILL BE UNABLE TO COMPETE WITH THESE TERMS
WITHOUT THE GOVERNMENT SUPPORT THAT THIRD COUNTRY

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SUPPLIERS ENJOY. THE SUCCESSFUL SALE OF F5E
AND C-130 AIRCRAFT TO BRAZIL UNDER FMS CREDITS DURING
1973 HAS IMPROVED OUR OPPORTUNITY FOR
CONSOLIDATING THE U.S. POSITION AS THE PRINCIPAL
FOREIGN MILITARY INFLUENCE OVER AND SOURCE OF EQUIPMENT
FOR THE BRAZILIAN ARMED FORCES. DURING FY 75/76,
HOWEVER, AND SUBJECT TO BUDGETARY LIMITS, THE BRAZILIAN
ARMY WOULD LIKE TO BEGIN PROCUREMENT OF EQUIPMENT FOR
A FIELD ARMY AIR DEFENSE SYSTEM, TWO ARMORED INFANTRY
BRIGADES, AND MODERNIZATION OF ARTILLERY, ENGINEER
AND SIGNAL UNITS, WHILE THE NAVY IS EXPECTED T SEEK
SUPPLIERS FOR BOTH AAW AND ASW EQUIPMENT AND WILL
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PROBABLY DECIDE ON A CONSTRUCTION PROGRAM FOR VESSELS
OF THE PATROL FRIGATE TYPE THAT COULD INVOLVE EXPENDITURES
OF UP TO $500 MILLION. THUS, THE U.S. RESPONSE TO
BRAZILIAN NEEDS DURING FY 75/76 WILL HAVE CONSIDERABLE
INFLUENCE ON BRAZILIAN PROCUREMENT DECISIONS DURING THE
PLANNING PERIOD.

6. THE SECURITY ASSISTANCE PROGRAM TAKES ON ADDED SIGNIF-
CANCE AS A POLICY RESOURCE IN THE LIGHT OF THE PHASING-
OUT OF THE USAID PROGRAM IN BRAZIL, SCHEDULED FOR COM-
PLETION IN FY 1977. ALTHOUGH THIS WILL LEAVE A SUBSTANTIAL
RESIDUAL PIPELINE THAT WILL CONTINUE TO FLOW TO BRAZIL,
NO NEW OBLIGATIONS WILL BE UNDERTAKEN, AND THE AID
MISSION WILL BE REDUCED TO CARETAKER LEVEL. THE AID
PROGRAM IN BRAZIL HAS HAD SIGNIFICANT IMPACT ON THE
SOCIAL AND ECONOMIC PROGRESS OF BRAZIL AND, PERHAPS
MOST IMPORTANT IN TERMS OF SUSTAINED U.S. INFLUENCE,
HAS PROVIDED TRAINING IN THE U.S. FOR THOUSANDS OF
BRAZILIAN TECHNICIANS AND MANAGERS, MEMBERS OF THE
INFLUENTIAL "TECHNOCRAT" CLASS, WHO, TO A SIGNIFICANT
DEGREE, MANAGE THE EVERYDAY LIFE OF BRAZIL. PARTICULARLY
IN THESE TERMS, THE USAID PROGRAM, WITH IS CONCEN-
CENTRATION ON CIVILIAN MAGERS, HAS HAD AN IMPACT
COMPLEMENTARY TO THAT EXERTED BY THE SECURITY ASSISTANCE
PROGRAM. ALTHOUGH WE WILL CONTINUE OUR EFFORTS TO
MAINTAIN A WIDESPREAD U.S. ORIENTATION AMONG BRAZILIAN
TECHNOCRATS, THE END OF THE AID PROGRAM HERE INCREASES
THE IMPORTANCE OF THE SECURITY ASSISTANCE PROGRAM AS A
VEHICLE FOR U.S. INFLUENCE.

NOTE BY OC/T: DOD INCORRECTLY INCLUDED IN STATE DISTRIBUTION
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R 171230Z JUN 74
FM AMEMBASSY BRASILIA
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7. WE ARE UNABLE TO DEVELOP FIRM FIGURES FOR ECONOMIC ASSISTANCE LIKELY TO BE GRANTED TO BRAZIL BY THIRD COUNTRIES DURING FY 75 AND THE REMAINDER OF THE PLANNING PERIOD. WE BELIEVE, HOWEVER, THAT SUBSTANTIAL INFLOWS FROM THIRD COUNTRIES ARE MORE LIKELY TO COME IN TERMS OF DIRECT INVESTMENT, IMPORT LOANS AND FINANCIAL LOANS RATHER THAN CONCESSIONAL ASSISTANCE. BRAZIL RECEIVED $3.7 BILLION IN CAPITAL INFLOW OF THIS TYPE DURING CY 1973, AND PROSPECTS FOR CY 1974 ARE FOR A CONTINUED HIGH LEVEL OF INFLOWS. BRAZIL MAINTAINS A RELATIVELY HEALTHY BALANCE OF PAYMENTS, AND ITS DEBT STRUCTURE HAS BEEN IMPROVED IN RECENT YEARS. CONCESSIONAL MILITARY ASSISTANCE HAS HAD AN INSIGNIFICANT IMPACT ON BRAZIL'S BALANCE OF PAYMENTS. BRAZIL RECEIVES SUBSTANTIAL AID FROM
MULTILATERAL DONORS SUCH AS THE WORLD BANK AND THE IDB. THE IDB'S 1974-76 LOAN PROGRAM FOR BRAZIL FORESEES TOTAL POSSIBLE LOANS OF $165 MILLION FOR 1974, AND $421 MILLION FOR 1975-76, MAINLY IN THE FIELDS OF AGRICULTURE, ENERGY PRODUCTION, EDUCATION, PUBLIC HEALTH AND INDUSTRY. THE IBRD'S PROPOSED PROJECTS FOR THE NEXT FEW YEARS IN BRAZIL FORESEE TOTAL POSSIBLE
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LOANS OF APPROXIMATELY $500 MILLION, MAINLY IN THE FIELDS OF TRANSPORTATION, INDUSTRY, ENERGY PRODUCTION, AND AGRICULTURE. ALTHOUGH THESE FIGURES ARE PROBABLY LARGER THAN THE ACTUAL VOLUME OF LOANS WHICH WILL BE APPROVED, THEY ARE INDICATIVE OF BRAZIL'S CAPABILITY TO ABSORB MAJOR PROJECTS, AND THEY PUT INTO PERSPECTIVE THE GOVERNMENT'S RELATIVELY MINOR COMMITMENT OF RESOURCES TO MILITARY PROCUREMENT.

8. WE HAVE NO ESTIMATE FOR THE SCALE OF THIRD-COUNTRY MILITARY ASSISTANCE LIEKLY TO BE OFFERED TO BRAZIL IN FY 75. IF, HOWEVER, THE RECORD OF THE PAST FEW YEARS--WHICH SAW, FOR EXAMPLE, MAJOR PURCHASES BY BRAZIL OF MILITARY AIRCRAFT FROM FRANCE AND SHIPS FROM ENGLAND AND GERMANY--IS INDICATIVE OF THE FUTURE, THIRD COUNTRY MILITARY SUPPLIERS WILL CONTINUE AGGRESSIVELY TO PURSUE MAJOR EQUIPMENT SALES TO BRAZIL WITH THE ADVANTAGE OF ATTRACTIVE GOVERNMENT-SPONSORED CREDIT FACILITIES.

9. AS REPRESENED BY THE FY 75/79 POM, THE SECURITY ASSISTANCE PROGRAM PRESENTED AN EFFECTIVE AND WELL-ORGANIZED PACKAGE FOR MEETING THE PRIORITY NEEDS OF THE BRAZILIAN ARMED FORCES AND MAINTAINING U.S. INFLUENCE AS A SUPPLIER. THIS APPROVED PROGRAM REPRESENTED SUFFICIENT ATTENTION TO NAVY REQUIREMENTS AND ARMY NEEDS TO KEEP THE U.S. IN CONTACT WITH THE PROCUREMENT PLANS FOR THESE SERVICES, AND PROVIDED TENTATIVE PLANS FOR THE SALE OF F5E AIRCRAFT TO THE BRAZILIAN AIR FORCE. HOWEVER, THE LATER DECISION TO PROVIDE FMS CREDITS FOR THE SALE OF THE F5E OVER A THREE-YEAR PERIOD, WHILE WELCOMED BY US A BREAKTHROUGH IN TERMS OF OUR INFLUENCE ON BRAZILIAN PROCUREMENT PLANNING, HAS LESSENED THE EFFECT OF BOTH OUR FY 1974 AND 1975 PROGRAMS ON THE BRAZILIAN ARMY AND NAVY, AND HAS HAD A SIMILAR IMPACT ON OUR PLANNING FOR THESE SERVICES IN THE OUT YEARS. IF PROVISION OF FMS CREDITS FOR BRAZIL DURING FY 75 IS HELD TO THE LATEST GUIDANCE LEVEL OF $60 MILLION (REF B), THE EFFECT OF THE F5E SALE WOULD BE TO WEAKEN, WITH RESPECT TO THE OTHER BRAZILIAN SERVICES, THE VERY MOMENTUM GENERATED

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BY THE F5E SALE. SALES GENERATED BY FMS CREDITS DURING THE CASP YEARS 1975/76 ARE BASIC TO THE SUCCESS OF THE BRAZILIL FY 76-80 SECURITY ASSISTANCE PROGRAM AS SUB-MITTED TO THE UNIFIED COMMAND. SINCE THE MAJOR AREAS IN WHICH WE WILL MEET THIRD-COUNTRY COMPETITION ARE EARLY PURCHASES OF EQUIPMENT IN CRITICAL MODERNIZATION

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FIELDS, FAILURE TO PROVIDE ADEQUATE FMS CREDIT
LEVELS NOW CAN ADVERSELY INFLUENCE LIKELY CASH AND CREDIT
SALES FURTHER INTO THE PLANNING PERIOD. A BRAZILIAN
DECISION TO PURCHASE U.S. PATROL FRIGATES, FOR
EXAMPLE, WOULD HAVE IMPORTANT ECONOMIC VALUE FOR THE
U.S. AND SUBSTANTIALLY IMPROVE THE POSITION OF THE U.S.
AS THE PREDOMINANT SOURCE OF MILITARY EQUIPMENT FOR
BRAZIL. THE SAME CAN BE SAID WITH RESPECT TO THE
OTHER PRIORITY AREAS SUCH AS ARMY AIR DEFENSE, AS OUTLINED
IN PARA 5. PROCUREMENT OF THESE ITEMS FROM THIRD-COUNTRY SOURCES,
HOWEVER, WOULD GREATLY REDUCE OUR ABILITY TO REESTABLISH
AND MAINTAIN THE U.S. AS THE PRIMARY SOURCE OF MILITARY
EQUIPMENT, TRAINING AND TECHNOLOGY FOR BRAZIL, AND IN
TURN, OUR ABILITY TO FULFILL THE MAJOR GOAL OF MAIN-
TAINING THE U.S. ORIENTATION OF THE ARMED FORCES.

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10. WE SHOULD, THEREFORE, MOVE TO CONSOLIDATE THE
POSITION WE GAINED THROUGH THE F5E/C130 SALE BY PRO-
VIDING SUFFICIENT ADDITIONAL FMS CREDIT LEVELS TO
ASSURE THE MAINTENANCE OF EXISTING RELATIONSHIPS AND
THE ACHIEVEMENT OF OUR OBJECTIVES. I BELIEVE THAT,
AS INDICATED IN THE MISSION'S POM AND CASP SUBMISSIONS,
FMS CREDIT LEVELS FOR BRAZIL ALONG THE FOLLOWING LINES

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ARE NECESSARY:
FM 75 FY76 FY77 FY78 FY79 FY80
$75M D90M $90M $100M $100M $100M
WE ESTIMATE THAT BRAZIL'S OVERALL MILITARY MODERNIZATION REQUIREMENTS, AS RELATED TO THE JSOP OBJECTIVE FORCE WILL INVOLVE THE EXPENDITURE BY BRAZIL OF ABOUT $1.5 BILLION OVER THE NEXT DECADE. WE BELIEVE, FURTHER, THAT THE BRAZILIAN ARMED FORCES ARE FIRMLY COMMITTED TO CARRYING OUT THIS MODERNIZATION, AND THAT, SUBJECT TO AN UNFORESEEN DRASTIC SLOWDOWN IN THE NATIONAL ECONOMCY, THEY WILL DO SO. ALLOCATION OF FMS CREDIT RESOURCES AT THE LEVEL RECOMMENDED ABOVE DURING THE PLANNING PERIOD WILL SERVE U.S. POLITICAL, COMMERICAL AND SECURITY OBJECTIVES IN BRAZIL. I RECOMMEND THAT THE DEPARTMENT SUPPORT THE COUNTRY
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TEAM RECOMMENDATIONS FOR FMS CREDIT LEVELS AS CONTAINED IN THE EMBASSY'S FY 75-76 CAPS. (IT SHOULD BE NOTED THAT IN RESPONSE TO A REQUEST FOR SPECIFIC ITEMS IN CONNECTION WITH THE FY 1974 $51 MILLION LEVEL, THE BRAZILIAN ARMED FORCES REQUESTED A TOTAL OF $80 MILLION.)

11. ANOTHER IMPORTANT ELEMENT OF THE SECURITY ASSISTANCE PROGRAM, THOUGH MODEST IN COST, IS THE TRAINING PROGRAM. THE VALUE OF THE TRAINING PROGRAM TO THE BRAZILIAN ARMED FORCES, AND TO THE U.S. EFFORT TO MAINTAIN INFLUENCE WITH THEM, EXCEEDS ITS NOMINAL COST OF $800 THOUSAND IN GRANT FUNDS. THE PROGRAM IS USED IN HIGH PRIORITY, HIGH IMPACT TECHNICAL AND PROFESSIONAL ASSISTANCE, AND DEMONSTRATES CONTINUING U.S. INTEREST IN, AND CONCERN FOR, THE DEVELOPMENT OF THE BRAZILIAN MILITARY FOR ES. THE TRAINING COURSES ARE CLOSELY ALIGNED WITH BRAZILIAN PARTICIPATION IN THE FMS PROGRAM AND ARE AN EFFECTIVE INFLUENCE ON PLANNING FOR PURCHASE, OPERATION AND MAINTENANCE OF MILITARY EQUIPMENT. ORIENTATION VISITS, WHICH BRING TO THE U.S. THE CREAM OF THE PROFESSIONAL MILITARY CLASS, HAVE SIGNIFICANT PROFESSIONAL IMPACT, AND MORE-OVER, GIVE THE TRAINEE AN EXPOSURE TO U.S. GOVERNMENT, CULTURE AND POLITICAL SYSTEMS. WE BELIEVE THAT WE SHOULD GIVE FULL VALUE TO THIS IMPORTANT PROGRAM BY RAISING GRANT TRAINING LEVELS TO A MINIMUM OF $1 MILLION ANNUALLY THROUGHOUT THE PLANNING PERIOD. THIS INCREASE, WHILE IT WOULD DO NO MORE THAN COMPEN-SATE TO SOME EXTENT FOR REAL LOSSES SUFFERED THROUGH INFLATION, WOULD PERMIT CONTINUED EFFORTS ON OUR PART TO MAINTAINING THE U.S. ORIENTATION OF YOUNGER OFFICERS OF THE ARMED FORCES.

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12. TO SUM UP, THE U.S. SECURITY ASSISTANCE PROGRAM IN BRAZIL IS AN ESSNTIAL TOOL FOR OUR EFFORTS TO INFLUENCE BRAZILIAN POLICY. THE PROGRAM HAS BEEN EFFECTIVE IN BEGINNING TO REESTABLISH THE U.S. AS A PRIMARY SOURCE OF EQUIPMENT, TRAINING AND COTRINE FOR THE BRAZILIAN ARMED FORCES. IT IS VERY MUCH IN OUR INTEREST, HOWEVER, TO CONSOLIDATE AND EXPAND OUR RECENT GAINS IN THE PROVISION OF MILITARY EQUIPMENT TO BRAZIL.

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THIS WILL REQUIRE INCREASED LEVELS OF FMS CREDIT AND MAP TRAINING AVAILABILITY, FOR FY 75 AND THE REMAINDER OF THE PLANNING PERIOD. I RECOGNIZE THAT FULL PURSUIT OF THIS GOAL WILL RAISE DIFFICULT PROBLEMS, BUT I BELIEVE WE SHOULD DO ALL WE CAN TO TAKE ADVANTAGE OF THE MOMENTUM WE NOW ENJOY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, FOREIGN POLICY POSITION, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL04355
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740157-0256
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740640/aaaabihw.tel
Line Count: 514
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: A. STATE 031505 B. STATE 083250
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
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